

BETH C. DRAIN, CA CSR NO. 7152

BEFORE THE
FINANCE SUBCOMMITTEE OF THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: ZOOM

DATE: JUNE 2, 2021
9 A.M.

REPORTER: BETH C. DRAIN, CA CSR
CSR. NO. 7152

FILE NO.: 2021-14

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JUNE 2, 2021; 9 A.M.

CHAIRMAN JUELSGAARD: I WANT TO CALL THIS MEETING OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE FINANCE SUBCOMMITTEE TO ORDER. MARIA, WOULD YOU CALL THE ROLL PLEASE.

MS. BONNEVILLE: STEVE JUELSGAARD.

CHAIRMAN JUELSGAARD: HERE.

MS. BONNEVILLE: JUDY GASSON.

DR. GASSON: HERE.

MS. BONNEVILLE: AL ROWLETT. OS STEWARD.

DR. STEWARD: HERE.

MS. BONNEVILLE: JONATHAN THOMAS.

CHAIRMAN THOMAS: HERE.

MS. BONNEVILLE: ART TORRES.

MR. TORRES: HERE.

MS. BONNEVILLE: KRISTINA VUORI.

DR. VUORI: HERE.

MS. BONNEVILLE: WE HAVE A QUORUM, STEVE.

CHAIRMAN JUELSGAARD: WONDERFUL. THANK YOU, MARIA.

SO WITHOUT FURTHER ADO, I'M GOING TO TURN TO JENNIFER TO TAKE US THROUGH THE BUDGET PRESENTATION. I WOULD SAY, IF WE HAVE ANY QUESTIONS, LET'S JUST ASK THEM ALONG THE WAY RATHER

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1 THAN WAITING TO THE END. I THINK IT WILL MOVE
2 BETTER THAT WAY. SO WITHOUT FURTHER ADO, JENNIFER,
3 PLEASE PROCEED.

4 MS. LEWIS: I'LL GET MY SLIDES UP. MARIA,
5 DID YOU WANT TO INTRODUCE, MARIA MILLAN?

6 DR. MILLAN: HI, EVERYBODY. JENNIFER
7 LEWIS HAS BEEN KINDLY SERVING AS OUR INTERIM LEAD ON
8 THE FINANCE DEPARTMENT, BUT WE HAVE A NEW MEMBER TO
9 THE TEAM. PROUD TO INTRODUCE POUNEH SIMPSON WHO
10 JUST APPEARED ON YOUR SCREEN. YOU WILL BE SEEING
11 MORE OF HER IN THIS FINANCE SUBCOMMITTEE AND OTHER
12 PLACES. POUNEH COMES TO US WITH A GREAT AMOUNT OF
13 STATE EXPERIENCE, AND I'LL BE INTRODUCING HER A
14 LITTLE BIT MORE FULLY IN JUNE. WE HIGHLIGHTED OUR
15 NEW HIRES A COUPLE OF WEEKS AGO, OUR COMMUNICATIONS
16 TEAM DID, BUT I WANTED TO INTRODUCE POUNEH AND ALSO
17 TO THANK JENNIFER FOR HANDLING BOTH GRANTS
18 MANAGEMENT AND THE FINANCE TEAM DURING THE INTERIM
19 AND ALSO CHILA SILVA-MARTIN WHO HAS CONTINUED TO BE
20 A RETIRED ANNUITANT, AMAZING SUPPORT FOR OUR TEAM.
21 SO THE TRANSITION IS GOING SMOOTHLY, BUT I DID WANT
22 YOU TO MEET POUNEH. THANK YOU SO MUCH, JENNIFER.
23 AND NOW BACK TO JENNIFER.

24 MS. LEWIS: THANKS, MARIA.

25 OKAY. JUST TO CONFIRM, YOU GUYS CAN SEE

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1 THE SLIDES FULL SCREEN?

2 MR. TORRES: YES.

3 MS. LEWIS: GREAT. GOOD MORNING, MEMBERS
4 OF THE BOARD AND THE PUBLIC. TODAY I'LL BE
5 PRESENTING TO YOU THE PROPOSED ADMINISTRATIVE BUDGET
6 FOR THE UPCOMING FISCAL YEAR 2021/22.

7 BEFORE WE BEGIN, I'LL JUST REVIEW OUR
8 AGENDA. FIRST WE WILL REVIEW THE 2020/21 BUDGET,
9 THE FINANCIAL RESULTS AND MAJOR DRIVERS OF THAT
10 BUDGET, AND THEN WE WILL DIVE INTO THE PROPOSED
11 BUDGET FOR THE NEXT FISCAL YEAR AND THE MAJOR
12 DRIVERS OF THAT BUDGET. AND JUST FOR REFERENCE,
13 ALSO INCLUDED IN YOUR MATERIALS IS AN APPENDIX WITH
14 THE DEPARTMENTAL LEVEL BUDGET DETAIL.

15 SO FIRST LET'S DIVE INTO THE 2020/2021
16 BUDGET. AND BEFORE I GET INTO THE FINANCIAL
17 RESULTS, I WANTED TO REMIND THE BOARD OF THE CONTEXT
18 IN WHICH THIS BUDGET WAS CREATED AS IT WAS A UNIQUE
19 YEAR. FIRST, AS ALL OF US KNOW, THE PANDEMIC
20 IMPACTED OUR WORK ACTIVITIES. AND FOR CIRM WE
21 CONTINUED TO HAVE REVIEWS AND MEETINGS VIA VIDEO AND
22 TRAVEL DID NOT OCCUR.

23 SECONDLY, FROM JUNE THROUGH DECEMBER OF
24 2020, THE ORGANIZATION WAS OPERATING IN A WIND-DOWN
25 MODE WITH REDUCED STAFFING LEVELS, REDISTRIBUTED

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1 WORKLOAD TO CURRENT STAFF, AN AWARD MANAGEMENT OF
2 COVID-10 PROGRAMS, SICKLE CELL, AND OUR CORE PILLAR
3 PROGRAMS WITH THE REMAINING PROP 71 FUNDS. THUS,
4 CONTRASTLY, FROM JANUARY THROUGH JUNE, THE BUDGET
5 REFLECTS THE WIND-UP OF AGENCY ACTIVITIES WITH 40
6 POSITIONS INCLUDING NINE REESTABLISHED POSITIONS AND
7 ALSO AN INCREASE IN ACTIVITIES IN REVIEWS FOR OUR
8 PILLAR PROGRAMS AS WELL AS AN INCREASE IN SCIENTIFIC
9 AND ADVISORY AND STRATEGIC PLANNING ACTIVITIES. SO
10 NOW LET'S LOOK AT THAT BUDGET AND OUR ESTIMATED
11 FINANCIAL RESULTS.

12 HERE ARE THE ESTIMATED FINANCIAL RESULTS
13 OF THE 2020/21 BUDGET. THE FIRST COLUMN SHOWS THE
14 APPROVED BUDGET OF 15.3 MILLION. THE AGENCY IS
15 CURRENTLY ESTIMATED TO FINISH THE YEAR IN JUNE AT
16 JUST OVER 13.1 MILLION, WHICH IS A SAVINGS OF 2.2
17 MILLION.

18 AS I NOTED PREVIOUSLY, THE AGENCY WAS
19 OPERATING IN A WIND-DOWN ENVIRONMENT FOR THE FIRST
20 SIX MONTHS OF THE 2020/21 FISCAL YEAR. THUS, THE
21 SAVINGS THAT WE SEE WAS DUE TO THE TEAM'S MANAGEMENT
22 OF EXPENDITURES IN KEEPING COSTS LOW. ADDITIONALLY,
23 THE PANDEMIC CONTINUED TO PROVIDE SAVINGS IN OUR
24 REMOTE MEETINGS AND REVIEWS. AND, FINALLY, COSTS
25 WERE BUDGETED TO WIND UP AGENCY ACTIVITIES IN THE

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1 EARLY 2021, WHICH OCCURRED, BUT NOT AT THE RATE
2 ANTICIPATED.

3 SO THERE ARE SAVINGS IN SEVERAL BUDGET
4 CATEGORIES THAT YOU WILL NOTICE WHICH I WILL
5 DESCRIBE IN MORE DETAIL IN THE NEXT FEW SLIDES.

6 SO THE VARIANCE IN THE 2020/21 BUDGET IS
7 IN THREE KEY AREAS OF EMPLOYEE EXPENSES OR
8 PERSONNEL, EXTERNAL SERVICE, AND REVIEWS, MEETINGS,
9 AND WORKSHOPS. I WILL SHARE WITH YOU A LITTLE BIT
10 MORE THE MAJOR DRIVERS OF THESE SAVINGS IN THESE
11 BUDGET CATEGORY AREAS.

12 FIRST, THERE WERE LOWER EMPLOYEE EXPENSES.
13 AS YOU RECALL IN DECEMBER, THE BOARD APPROVED A
14 REVISED 2020/21 BUDGET WHICH INCLUDED NINE
15 REESTABLISHED POSITIONS FOR CRITICAL ROLES IN THE
16 WIND-UP AND GROWTH OF THE ORGANIZATION. THIS WAS A
17 VERY AMBITIOUS GOAL TO ACCOMPLISH IN JUST SIX
18 MONTHS; BUT WITH THE EFFORTS OF HR AND THE WHOLE
19 ORGANIZATION, WE WERE ABLE TO FILL SEVEN OF THESE
20 POSITIONS TO DATE AND HAD SAVINGS DUE TO START DATES
21 STARTING MORE AT THE END OF THIS FISCAL YEAR PERIOD.
22 TWO OF THESE POSITIONS ARE STILL IN THE LATER STAGES
23 OF RECRUITING, BUT REMAIN UNFILLED, RESULTING IN
24 ADDITIONAL SAVINGS.

25 ALSO, THERE HAVE BEEN THREE VACANCIES THAT

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1 OCCURRED DURING THIS FISCAL YEAR WITH ONE VACANCY
2 FILLED DURING THIS PERIOD. THUS, WE ARE ESTIMATED
3 TO FINISH THE YEAR UNDER BUDGET BY 1.1 MILLION WHILE
4 STILL ADDING EIGHT NEW EMPLOYEES TO THE CIRM TEAM.

5 WE ALSO SAW SAVINGS IN THE EXTERNAL
6 SERVICES BUDGET CATEGORY WHICH WAS DUE TO THE TEAM
7 MAINTAINING EXPENSES UNDER BUDGET AS WE WERE
8 OPERATING IN A WIND-DOWN MODE. ADDITIONALLY,
9 CONTINGENCY EXPENSES IN SOME AREAS WERE NOT
10 REQUIRED, SUCH AS OUTSIDE CORPORATE COUNSEL FOR
11 GRANTS MANAGEMENT ACTIVITIES. WE ARE ESTIMATED TO
12 FINISH THE YEAR UNDER BUDGET IN EXTERNAL SERVICES BY
13 ABOUT 554,000.

14 AND THE LAST CATEGORY I WANTED TO REVIEW
15 WITH YOU IS THAT THERE WERE SAVINGS IN THE REVIEWS,
16 MEETINGS, AND WORKSHOPS AREA AS THE AGENCY WAS
17 OPERATING IN THOSE SIX MONTHS OF WIND-DOWN. OVER
18 THE 2020/21 FISCAL YEAR, DEPARTMENT HEADS ACROSS THE
19 ORGANIZATION KEPT EXPENSES LOW AND WE'RE COGNIZANT
20 OF THAT. ADDITIONALLY, DUE TO THE PANDEMIC,
21 MEETINGS AND WORKSHOPS OCCURRED REMOTELY RESULTING
22 IN ADDITIONAL SAVINGS IN THIS AREA. THUS, THE
23 ESTIMATED FINANCIAL IMPACT IS UNDER BUDGET BY ABOUT
24 298,000.

25 SO NOW I'D LIKE TO TRANSITION FROM THE

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1 2020/21 BUDGET TO THE 21/22 PROPOSED BUDGET. THIS
2 BUDGET CONTINUES THE WIND-UP OF AGENCY ACTIVITIES
3 BASED ON THE CURRENT AND PROJECTED PROGRAM
4 OFFERINGS. HOWEVER, I DID WANT TO NOTE THAT IN
5 DECEMBER OF 2021, THE CIRM TEAM WILL BE BRINGING THE
6 STRATEGIC PLAN TO THE BOARD FOR APPROVAL. AND AT
7 THAT TIME WE WILL LIKELY BRING A REVISED
8 ADMINISTRATIVE BUDGET WHICH WILL HAVE ANY NEW
9 OPERATIONAL ACTIVITIES THAT WOULD BE REQUIRED TO
10 SUPPORT THE EXECUTION OF OUR STRATEGIC PLAN.

11 THIS SLIDE SHOWS OUR PROPOSED 21/22 BUDGET
12 REQUEST. THE FIRST COLUMN DISPLAYS THE 2020/21
13 BUDGET OF THE TOTAL 15.3 MILLION ALONGSIDE THE
14 PROPOSED BUDGET FOR 21/22 OF 20.9 MILLION, WHICH IS
15 AN INCREASE OF 5.6 MILLION.

16 NORMALLY WE WOULD PRESENT THIS BUDGET AS
17 COMPARED TO THE ESTIMATED FINANCIAL RESULTS OF 2021.
18 HOWEVER, GIVEN THE UNIQUE YEAR I DESCRIBED, THE
19 DECISION WAS MADE TO SHOW THE COMPARISON TO THE
20 20/21 BUDGET INSTEAD AS IT GIVES A BETTER PICTURE OF
21 A COMPARISON.

22 I WILL DESCRIBE FURTHER IN THE NEXT FEW
23 SLIDES THE DRIVERS OF THIS PROPOSED BUDGET AS THE
24 AGENCY CONTINUES THE WIND-UP OF OPERATIONS AND
25 PROGRAM ACTIVITIES OVER THE NEXT 12 MONTHS.

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1 OVERALL THE MAJOR DRIVERS OF THE 21/22
2 BUDGET FALL IN THREE CATEGORIES OF PERSONNEL,
3 REVIEWS, MEETINGS, AND WORKSHOPS, AND RENT/OFFICE
4 EXPANSION, WHICH I'LL GO INTO IN MORE DETAIL IN THE
5 NEXT FEW SLIDES.

6 THE FIRST KEY DRIVER OF THIS PROPOSED
7 BUDGET IS AN INCREASE IN EMPLOYEE EXPENSES. THIS
8 PROPOSED BUDGET WILL INCREASE PERSONNEL BY NINE
9 POSITIONS FOR A TOTAL OF 49 POSITIONS. IN ADDITION,
10 THIS BUDGET ESTIMATES A 3-PERCENT MERIT SALARY
11 ADJUSTMENT FOR ELIGIBLE EMPLOYEES DURING THE
12 PERFORMANCE REVIEW PERIOD. IN COMPARISON TO THE
13 20/21 BUDGET, THIS IS AN INCREASE OF 3.6 MILLION.

14 THE SECOND MAJOR DRIVER OF THE 21/22
15 BUDGET IS IN REVIEWS, MEETINGS, AND WORKSHOPS. THE
16 CIRM TEAM HAS PLANNED 22 REVIEWS FOR 21/22 FISCAL
17 YEAR WITH AN ESTIMATED BUDGET OF 751,000. LAST
18 YEAR, DUE TO THE PANDEMIC, WE HAD TO CONDUCT ALL
19 REVIEWS VIRTUALLY WHICH DID RESULT IN SAVINGS ALONG
20 WITH MORE PRODUCTIVE AND SUCCESSFUL REVIEWS. GIVEN
21 THIS, OF THE 22 REVIEWS, WE ESTIMATE THAT ONLY TWO
22 WILL BE IN PERSON WHILE THE REST WILL BE DONE
23 VIRTUALLY IN THE NEXT FISCAL YEAR.

24 IN THE NEXT SLIDE I WILL GO INTO THIS
25 BUDGET OF THE REVIEW MEETINGS IN MORE DETAIL SO WE

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1 CAN DISCUSS IT FURTHER.

2 IN ADDITION TO THE REVIEW MEETINGS, WE
3 ALSO ANTICIPATE INCREASES IN OUR SCIENTIFIC
4 WORKSHOPS AND ADVISORY PANELS TO INFORM OUR
5 STRATEGIC DIRECTION. ALSO, IN THAT WE WILL BE
6 GROWING OVER THE NEXT FISCAL YEAR IN OUR PORTFOLIO,
7 THUS, THERE WILL BE AN INCREASE IN OUR CLINICAL AND
8 TRANSLATIONAL ADVISORY PANELS BY OUR SCIENTIFIC TEAM
9 BY AN ESTIMATE OF 57 PERCENT OR 67 NEW ADVISORY
10 PANELS PLANNED.

11 LASTLY, WE ANTICIPATE THAT THE ACTIVITIES
12 OF THE BOARD AND THE SUBCOMMITTEES WILL INCREASE.
13 AND ALTHOUGH MOST OF THESE MEETINGS WILL OCCUR
14 VIRTUALLY, WE HAVE BUDGETED FOR FOUR ICOC MEETINGS
15 OF WHICH TWO WOULD BE IN PERSON. IN COMPARISON TO
16 THIS FISCAL YEAR BUDGET, THIS IS AN INCREASE OF
17 746,000. AS MENTIONED, A SIGNIFICANT PORTION OF
18 THIS IS DUE TO REVIEWS, MEETINGS, AND WORKSHOPS, TO
19 THE REVIEW MEETINGS, WHICH IS 500,000. AND WE'LL
20 LOOK AT THAT A LITTLE BIT FURTHER IN THE NEXT SLIDE.

21 SO THIS SLIDE DISPLAYS THE BUDGET FOR
22 REVIEWS, MEETING ACTIVITIES SINCE 2016.
23 HISTORICALLY THE PRIMARY DRIVERS OF THE REVIEW
24 BUDGET HAVE BEEN COST OF HOSTING THE MEETING IN
25 PERSON, THE NUMBER OF REVIEWS, AND THE HONORARIA

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1 WHICH VARIES BASED ON THE PROGRAM BEING REVIEWED.
2 SO AS YOU WILL SEE, IN 2016/17 FISCAL YEAR, THE
3 AGENCY BUDGETED FOR 17 REVIEWS AT ABOUT \$1 MILLION.
4 AT THIS TIME THE ORGANIZATION WAS OFFERING A VARIETY
5 OF PROGRAMS AND HOSTING A MAJORITY OF ITS REVIEWS IN
6 PERSON, WHICH INCLUDED COSTS ASSOCIATED WITH OFFSITE
7 MEETING ROOMS, TRAVEL, AND HOTELS, ALONG WITH
8 REVIEWER HONORARIA.

9 BY THE TIME WE GET TO 18/19, THE
10 ORGANIZATION BEGAN TO REDUCE ITS ADMINISTRATIVE
11 ACTIVITIES AND CONDUCTED IN-PERSON REVIEW MEETINGS
12 AT OUR AGENCY OFFICES. THUS, YOU WILL SEE A
13 DECREASE IN THE BUDGET FOR 15 REVIEWS AT \$659,000.
14 IN 2020//21, THE AGENCY WAS OPERATING IN WIND-DOWN
15 MODE; AND, THUS, THERE WERE LESS REVIEWS. ALL
16 MEETINGS WERE DONE VIRTUALLY AND THERE WERE LIMITED
17 PROGRAM OFFERINGS, FOCUSING ONLY ON OUR CLINICAL AND
18 COVID ROUND. THUS, THE ONLY COSTS THAT WERE
19 INCURRED WERE FOR HONORARIA.

20 THE 21/22 BUDGET PROPOSED BUDGET ESTIMATES
21 22 REVIEWS AT \$751,000. SO LOOKING AT THE PROPOSED
22 21/22 BUDGET COMPARED TO 20/21, THE AGENCY IS
23 DOUBLING THE NUMBER OF REVIEWS WHILE THE BUDGET FOR
24 21/22 IS INCREASING BY 66 PERCENT. SO WHAT IS
25 DRIVING THIS INCREASE? THE PRIMARY DRIVERS ARE

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1 HONORARIA, WHICH IS BASED ON THE NUMBER OF REVIEWS,
2 BUT ALSO THE TYPE OF REVIEW. AS MENTIONED, IN 20/21
3 REVIEWS WERE LIMITED DUE TO RESEARCH BUDGET
4 LIMITATIONS AND ONLY COVID AND CLIN REVIEWS WERE
5 OFFERED, WHICH INVOLVED FEWER APPLICATIONS FOR
6 REVIEW AND SHORTER DURATIONS OF THE MEETING. THE
7 21/22 REVIEW MEETING SCHEDULE WILL INCLUDE THE
8 MONTHLY CLINICAL REVIEWS, BUT IN ADDITION THERE WILL
9 BE REVIEWS IN OUR DISCOVERY AND TRANSLATION AND
10 EDUCATION PROGRAMS, WHICH HAVE HIGHER APPLICATION
11 VOLUME, RESULTING IN LONGER REVIEW MEETINGS AND
12 REQUIRE MORE REVIEWERS WITH A WIDER RANGE OF
13 EXPERTISE SIMILAR TO THE 16/17 TIME PERIOD. THUS,
14 THE DRIVER OF THE 21/22 REVIEW BUDGET IS THE COST
15 ASSOCIATED WITH THE REVIEWER HONORARIA DUE TO THE
16 VARIETY OF PROGRAM OFFERINGS AND NUMBER OF
17 APPLICATIONS WITH SAVINGS BUDGETED DUE TO MORE
18 VIRTUAL AND REMOTE MEETINGS.

19 THE THIRD DRIVER OF THE 21/22 BUDGET IS IN
20 FACILITIES. SO IN 2019 THE AGENCY NEGOTIATED A
21 LEASE EXTENSION THROUGH MARCH OF 2022 AS THE AGENCY
22 WAS OPERATING WITH AN UNKNOWN ON WHETHER PROPOSITION
23 14 WOULD PASS IN 2020. BUT WE WANTED TO HAVE
24 OFFICES TO SUPPORT EITHER SCENARIO OF A WIND-DOWN OR
25 A WIND-UP OF THE AGENCY ACTIVITIES. THIS INCREASE

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1 BEGAN IN EARLY 2021 WHICH IMPACTS THE NEXT FISCAL
2 YEAR'S BUDGET OF 21/22.

3 IN ADDITION, AS THE ORGANIZATION'S LEASE
4 WILL BE EXPIRING IN 2022, THE TEAM IS LOOKING FOR
5 THE BEST OPTIONS THAT WILL ACCOMMODATE OUR GROWING
6 TEAM AND ALLOW US TO BEST ACHIEVE THE MISSION OF THE
7 ORGANIZATION. AS WE FINALIZE THAT DECISION OVER THE
8 COMING MONTHS, THE 21/22 BUDGET HAS INCLUDED
9 CONTINGENCY FUNDING TO SUPPORT TWO OPTIONS, EITHER
10 AN OFFICE EXPANSION AT OUR CURRENT LOCATION RETURN
11 TO WORK OR AN OFFICE MOVE, INCLUDING LEASING
12 SERVICES, PROJECT MANAGEMENT, AND MOVERS, WITH A
13 FINANCIAL IMPACT COMPARED TO 20/21 OF ABOUT
14 \$843,000.

15 SO AS I CLOSE MY PRESENTATION OF THE
16 PROPOSED BUDGET, I WOULD LIKE TO ACKNOWLEDGE THAT
17 WHILE WE WILL BE ACTIVELY MANAGING COSTS AND
18 MAINTAINING EXPENSES, THERE ARE EXTERNAL FACTORS
19 THAT COULD AFFECT OUR PROJECTED BUDGET PLAN WHICH
20 INCLUDE THE CURRENT LEASE RENEWAL, OUR OFFICE MOVE
21 AS I DESCRIBED, RECRUITMENT AND PERSONNEL GROWTH,
22 AND ANY UNKNOWN EFFECTS OF COVID-19 ON BUSINESS
23 ACTIVITIES AND MEETINGS AND TRAVEL AND OTHER WORK
24 ACTIVITIES.

25 SO AT THIS TIME I WILL STOP HERE TO TAKE

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1 ANY QUESTIONS, BUT WE ARE ASKING TODAY FOR THE
2 FINANCE SUBCOMMITTEE TO REVIEW AND APPROVE THE 21/22
3 BUDGET TO BE BROUGHT TO THE ICOC LATER THIS MONTH.

4 CHAIRMAN JUELSGAARD: THANK YOU, JENNIFER.
5 CAN YOU GO TO A SLIDE THAT SHOWS THE BUDGET
6 BREAKDOWN PLEASE?

7 MS. LEWIS: SURE.

8 CHAIRMAN JUELSGAARD: THERE WE GO.
9 PERFECT. SO I JUST WANT TO START WITH THIS. ARE
10 THERE ANY QUESTIONS ABOUT ANY OF THESE PARTICULAR
11 CATEGORIES IN TERMS OF WHAT IS BEING REQUESTED? OR
12 IF NOT QUESTIONS, COMMENTS?

13 DR. VUORI: I HAD A QUICK QUESTION
14 REGARDING THE PAYMENTS FOR THE REVIEWERS. COULD YOU
15 DESCRIBE HOW THAT WORKS? IS THERE A FLAT RATE PER
16 HOUR OR DAY? DO YOU FEEL IT'S COMPETITIVE? DO YOU
17 GET THE REVIEWERS THAT YOU WANT? JUST THOUGHTS
18 ABOUT THAT WHOLE PROCESS.

19 MS. LEWIS: I CAN ANSWER JUST HOW WE COME
20 TO THAT RATE. AND, MARIA, IF YOU WANT TO ADD
21 ANYTHING.

22 SO WE'VE BEEN USING A MODEL THAT IS A FLAT
23 RATE, BUT THEN ALSO INCORPORATES HOW MANY
24 APPLICATIONS THAT THEY ARE REVIEWING AND THE
25 DURATION OF THE MEETING AS WELL. SO IT'S A LITTLE

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1 BIT OF A MODEL THAT INCORPORATES BOTH OF THOSE
2 METHODS AND, AGAIN, DOES VARY DEPENDING ON PROGRAM.
3 THE BIGGEST COMPARISON YOU CAN SAY IS CLINICAL,
4 WHICH IS TYPICALLY A SMALLER NUMBER, SHORTER
5 REVIEWS. THE LONGEST REVIEW IS USUALLY FOUR HOURS
6 WHILE DISCOVERY AND TRANSLATION CAN BE FULL-DAY
7 MEETINGS, SOMETIMES TWO DAYS. SO THAT COMPENSATION
8 IS THERE AS WELL FOR ATTENDANCE IN THOSE MEETINGS.

9 MARIA, DID YOU WANT TO ADD ANYTHING ABOUT
10 THE EXPERTISE AND THE QUALITY?

11 DR. MILLAN: I THINK GIL SAMBRANO, WHO IS
12 THE HEAD OF REVIEW, WOULD BE THE BEST PERSON TO KIND
13 OF GO IN DETAIL. BUT JUST IN THE BIG PICTURE, WE
14 ARE ABLE TO BE COMPETITIVE AND ARE ABLE TO BRING IN
15 REVIEWERS. IF THERE ARE ANY RESTRAINTS, IT'S REALLY
16 TIME CONSTRAINTS. THE VIRTUAL MEETINGS HAVE ALLOWED
17 SOME FLEXIBILITY IN THAT CASE; BUT ALSO, ON THE
18 OTHER HAND, SOME OF THE REVIEWERS REALLY DID LOOK
19 FORWARD TO THE IN-PERSON. SO I THINK HAVING SOME OF
20 THAT BUILT IN TO BUILD KIND OF THAT CONNECTION WITH
21 OTHER REVIEWERS THROUGH THE PROCESS.

22 SO I DON'T KNOW IF GIL IS ON THE LINE, BUT
23 IT HASN'T BEEN A RATE LIMITING STEP IN US BEING ABLE
24 TO RUN THE REVIEWS AND HAVE HIGH QUALITY REVIEWERS.
25 WE ARE IN THE MIDST OF EXPANSION OF OUR GWG, AND I

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1 SENT OUT A NOTE RECENTLY ABOUT SOME OF OUR PARTNER
2 ORGANIZATIONS WHO ARE HELPING US WITH THAT. WE ARE
3 HAPPY TO ALSO GET YOU MORE INFORMATION IF YOU WANT
4 ON THAT TOPIC.

5 DR. VUORI: NO WORRIES. THANK YOU.
6 SOUNDS GREAT. THANKS.

7 CHAIRMAN JUELSGAARD: THANK YOU, KRISTINA.
8 OTHER QUESTIONS OR COMMENTS ON THE
9 PROPOSED BUDGET?

10 MS. BONNEVILLE: OS HAS HIS HAND RAISED.

11 CHAIRMAN JUELSGAARD: YES, OS.

12 DR. STEWARD: JUST REALLY QUICKLY, AS
13 SOMEBODY WHO DOES REVIEWS FOR OTHER ORGANIZATIONS,
14 INCLUDING NIH, I WOULD SAY THAT THE COMPENSATION FOR
15 REVIEWERS BY CIRM IS GOOD. IT'S ADEQUATE. NIH IS
16 PALTRY AND MISERABLE. I THINK THAT IN GENERAL THE
17 REVIEWERS DON'T FEEL THAT THEY ARE BEING
18 OVERCOMPENSATED GIVEN THE AMOUNT OF WORK THAT'S PUT
19 IN. AND I THINK THAT THIS PROPOSAL IS BOTH A GOOD
20 COMBINATION OF RECOGNITION OF THE WORK THEY DO PUT
21 IN, BUT ALSO RECOGNITION OF OUR ROLE AS RESPONSIBLE
22 STEWARDS OF THE STATE BUDGET, SO TO SPEAK. SO I
23 THINK IT'S GOOD. THAT'S THE BOTTOM LINE OF MY
24 COMMENT. THANK YOU.

25 CHAIRMAN JUELSGAARD: GREAT. THANKS, OS.

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1 GOOD TO HEAR.

2 OTHER COMMENTS OR QUESTIONS FROM THE
3 MEMBERS OF THE COMMITTEE? BEFORE WE GET TO THE
4 MOTION, ARE THERE ANY -- IS THERE A MOTION THAT WE
5 APPROVE THIS BUDGET?

6 MR. ROWLETT: I SO MOVE.

7 CHAIRMAN JUELSGAARD: THANK YOU, AL. IS
8 THERE A SECOND?

9 DR. GASSON: SECOND.

10 CHAIRMAN JUELSGAARD: SO ANY MORE COMMENTS
11 OR QUESTIONS FROM THE COMMITTEE OR SUBCOMMITTEE? IF
12 NOT, ARE THERE ANY COMMENTS OR QUESTIONS FROM THE
13 PUBLIC?

14 MS. BONNEVILLE: STEVE, I HAVE TWO THAT
15 CAME IN. THEY'RE BOTH FROM DAVID JENSEN. THE FIRST
16 ONE IS WHAT IS THE ESTIMATED SPENDING TOTAL FOR
17 20/21?

18 MS. LEWIS: SO THE ESTIMATED RESULTS, THE
19 FINANCIAL RESULTS, IS -- I CAN GO BACK TO THAT SLIDE
20 IF IT'S HELPFUL -- IS JUST OVER 13 MILLION. SO WE
21 HAVE A \$2.2 MILLION SAVINGS.

22 MS. BONNEVILLE: THANK YOU. AND THERE'S
23 ONE MORE.

24 ONE OF THE FEATURES OF PROP 14 ENABLED
25 CIRM TO SHIFT SOME PREVIOUSLY OPERATIONAL EXPENSES

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1 INTO RESEARCH AWARD CATEGORIES. THIS HAS THE EFFECT
2 OF MAKING MORE MONEY AVAILABLE FOR SUCH THINGS AS
3 SALARIES OR WHAT HAVE YOU. DOES THE PROPOSED BUDGET
4 TO BE CONSIDERED TOMORROW INCORPORATE ANY OF THOSE
5 SHIFTS?

6 MS. LEWIS: SO THIS BUDGET, IT DOES
7 CONSIDER THE GUIDANCE OF PROP 14 AND THE ALLOCATIONS
8 THAT ARE GUIDED IN THERE AS WELL AS THE SHIFTS, ONE
9 OF THEM BEING REVIEW EXPENSES SHIFTING TO THE
10 RESEARCH BUDGET ALLOCATION. SO THAT IS CONSIDERED
11 IN THERE.

12 I WILL SAY THAT, AS WE EMBARK ON
13 PROPOSITION 14, WE WILL BE COMING BACK TO THIS
14 SUBCOMMITTEE AND TO THE BOARD WITH FORECASTS OF WHAT
15 THAT LOOKS LIKE OVER TIME AND HOW THAT'S PROJECTED
16 IN THE VARIOUS CATEGORIES, INCLUDING AS WE INCREASE
17 STAFFING OR INCREASE OTHER ACTIVITIES. SO WE WILL
18 BE PRESENTING THAT ALONG WITH THE RESEARCH BUDGET TO
19 SHOW WHAT THAT LOOKS LIKE IN OUR PLAN OVER THE NEXT
20 SEVERAL YEARS.

21 CHAIRMAN JUELSGAARD: JENNIFER, JUST A
22 QUESTION IN THAT REGARD. IS THAT GOING TO BE PART
23 OF THE STRATEGIC PLAN PRESENTATION? IS THAT WHAT
24 YOU ARE THINKING?

25 MS. LEWIS: YES. IN DECEMBER WE'D LIKE TO

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1 BRING TO YOU ALONG WITH THAT SIDE BY SIDE WITH THE
2 ADMINISTRATIVE BUDGET, RESEARCH BUDGET FORECASTING
3 OUT WHAT THOSE PROJECTIONS LOOK LIKE SO YOU CAN SEE
4 THAT ALTOGETHER.

5 CHAIRMAN JUELSGAARD: GREAT. I THINK IT
6 WOULD BE HELPFUL TO HAVE THEM ALL IN ONE LARGE
7 PACKAGE.

8 ANY OTHER COMMENTS OR QUESTIONS FROM THE
9 PUBLIC?

10 MS. BONNEVILLE: THERE ARE NONE.

11 CHAIRMAN JUELSGAARD: IF NOT, THEN, MARIA,
12 WOULD YOU CALL THE ROLL?

13 MS. BONNEVILLE: STEVE JUELSGAARD.

14 CHAIRMAN JUELSGAARD: YES.

15 MS. BONNEVILLE: JUDY GASSON.

16 DR. GASSON: YES.

17 MS. BONNEVILLE: AL ROWLETT.

18 MR. ROWLETT: YES.

19 MS. BONNEVILLE: OS STEWARD. I'LL COME
20 BACK TO OS.

21 JONATHAN THOMAS.

22 CHAIRMAN THOMAS: YES.

23 MS. BONNEVILLE: ART TORRES.

24 MR. TORRES: AYE.

25 MS. BONNEVILLE: KRISTINA VUORI.

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1 DR. VUORI: YES.

2 DR. STEWARD: I'M A YES, MARIA.

3 MS. BONNEVILLE: THANK YOU. THE MOTION
4 CARRIES.

5 CHAIRMAN JUELSGAARD: THANK YOU THEN. WE
6 HAVE THE SUBCOMMITTEE'S APPROVAL OF THIS BUDGET. IT
7 WILL BE PRESENTED TO THE BOARD. J.T., REMIND ME
8 WHEN THE ICOC MEETING IS OF THIS MONTH?

9 CHAIRMAN THOMAS: THE 18TH. IT'S THE
10 18TH, JUNE 18TH.

11 CHAIRMAN JUELSGAARD: WE'LL SEE IT AGAIN
12 THEN. ARE THERE ANY OTHER ISSUES TO COME BEFORE THE
13 SUBCOMMITTEE? SEEING NONE, HEARING NONE, THEN, DO
14 WE NORMALLY HAVE A MOTION FOR ADJOURNMENT OR WE JUST
15 ADJOURN?

16 CHAIRMAN THOMAS: JUST GO AHEAD AND
17 ADJOURN, STEVE.

18 MR. TORRES: JUST A THANK YOU TO STEVE.

19 CHAIRMAN JUELSGAARD: YOU'RE SO WELCOME,
20 ART. ALL RIGHT. THANK YOU, EVERYBODY.

21 MS. BONNEVILLE: THANK YOU, EVERYONE.

22 (THE MEETING WAS THEN CONCLUDED AT 9:27 A.M.)

23
24
25

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE ZOOM PROCEEDINGS BEFORE THE FINANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD ON JUNE 2, 2021, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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